United Nations S/2008/211

Security Council

Distr.: General
28 March 2008

Original: English

Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1244 (1999), by which the Council decided to establish the United Nations Interim Administration Mission in Kosovo (UNMIK) and requested the Secretary-General to report at regular intervals on the implementation of the mandate. It covers the activities of UNMIK, and developments related thereto, from 16 December 2007 to 1 March 2008.

II. Political situation

2. On 19 December 2007, the 2007 electoral process was concluded with the certification of the results of the second round of mayoral and municipal elections. The Assembly of Kosovo held its inaugural session in two parts. On 4 January 2008 the members of the Assembly took their oath. On 9 January the Assembly elected its President and members of its Presidency, and re-elected Fatmir Sejdiu as President of Kosovo. On the same day, the Assembly voted into office a new coalition government formed by the Democratic Party of Kosovo (PDK) and the Democratic League of Kosovo, led by Prime Minister Hashim Thaçi (PDK). Six out of 10 Kosovo Serb members of the Assembly took the oath of office; the remaining four did not. Representatives of political parties representing the Kosovo Serb community were allocated the Ministry of Communities and Returns and the Ministry of Labour and Social Welfare, while the Ministry of Environment and Spatial Planning was allocated to a party representing the Kosovo Turk community.

3. On 17 February, the Assembly of Kosovo held a session during which it adopted a "declaration of independence", declaring Kosovo an independent and sovereign State. The declaration stated that Kosovo fully accepts the obligations of the Comprehensive Proposal for the Kosovo Status Settlement (S/2007/168/Add.1). Prime Minister Thaçi stated that there would be equal opportunities for all of Kosovo's inhabitants and that discrimination against members of minority communities would be eliminated. The declaration also pledged that Kosovo would adhere to resolution 1244 (1999) and would commit itself to working constructively with the United Nations. One hundred and nine out of 120 Assembly members present voted in favour of the declaration. The 10 Kosovo Serb deputies of the Kosovo Assembly did not attend the session.

08-27674 (E) 310308

4. I immediately drew this development to the attention of the Security Council, so that it could consider the matter. In doing so, I reaffirmed that, pending guidance from the Security Council, the United Nations would continue to operate on the understanding that resolution 1244 (1999) remains in force and constitutes the legal framework for the mandate of UNMIK, and that UNMIK would continue to implement its mandate in the light of the evolving circumstances.

5. On 18 February, I received a letter from Javier Solana, the European Union's High Representative for the Common Foreign and Security Policy, informing me of the decision of the European Union to deploy a rule of law mission within the framework provided by resolution 1244 (1999), and to appoint a European Union Special Representative for Kosovo who would, among other functions, coordinate the work of the European Union in Kosovo.

6. The authorities in Belgrade and Kosovo Serbs condemned the declaration of independence. On 18 February, Boris Tadić, President of Serbia, informed me that Serbia had adopted a decision stating that the declaration of independence by Kosovo represents a forceful and unilateral secession of a part of the territory of Serbia, and does not produce any legal effect either in Serbia or in the international legal order.

7. The Kosovo Serbs reacted to the declaration of independence in a number of ways. They held daily, largely peaceful protests in several areas in Kosovo where Kosovo Serbs live, including northern Mitrovicë/Mitrovica, Graçanicë/Gračanica, Kamenicë/Kamenica and Shtërpcë/Štrpce. Regrettably, however, some protests turned violent, particularly in northern Kosovo, where on 19 February two Customs service points on the Administrative Boundary Line were attacked and destroyed by small groups of violent demonstrators.

8. Following Kosovo's declaration of independence, Kosovo Serbs, with the support of the Serbian authorities, have expanded their boycott of the institutions of Kosovo to include UNMIK Customs, the Kosovo Police Service (KPS), the Kosovo Corrections Service, the judicial system, municipal administration, and UNMIK railways. This expanded boycott has not been uniform, however. Although Kosovo Serb civil servants have stopped coming to work in municipalities where they make up either a majority, or a significant proportion, of the population, such as Shtërpcë/Štrpce, Kamenicë/Kamenica, Novobërdë/Novo Brdo and Gjilan/Gnjilane, they continued to work in municipalities where they remain a small minority, such as Fushë Kosovë/Kosovo Polje, Lipjan/Lipljan and other areas. Kosovo Serbs also continued to work in the Kosovo Police Service in northern Kosovo, where international UNMIK police exercise direct operational command of policing functions. At the central level, leaders of Kosovo Serb political parties continued to have informal contacts with UNMIK and the Government of Kosovo. Although Kosovo Serb ministers in the Ministries of Labour and Social Welfare and Communities and Returns were not present in their workplaces on a regular basis, they remained engaged informally in the work of their ministries.

9. The Kosovo Albanian community's reaction to these events has been restrained. The Kosovo Government repeatedly called for calm, patience and trust in the ability of the international civil and military presences in Kosovo to manage the situation. Prime Minister Thaçi held outreach visits to the Kosovo Serb minority community throughout Kosovo.

10. My Special Representative continued to reach out to the Kosovo Serb community, meeting with different groups, including the mayors of Kosovo Serb-majority northern municipalities, students of Mitrovicë/Mitrovica University and residents in Graçanicë/Gračanica, in order to instil calm and to reiterate that UNMIK continues to operate under the framework of resolution 1244 (1999). UNMIK has addressed the challenges faced in Kosovo Serb majority areas following the declaration of independence in a manner consistent with resolution 1244 (1999). Where and when required, UNMIK has taken measured steps, in cooperation with KFOR, to impose law and order, with the aim of ensuring that the political and security situation in Kosovo remained stable. Nevertheless, Kosovo Albanians voiced their frustration with UNMIK, and perceive it as not having dealt adequately with those challenges. This has manifested itself through statements made by Kosovo Government officials criticizing UNMIK for not preventing Serbian Government Ministers from visiting Kosovo, and statements expressing an expectation that UNMIK will cease its operations and transfer its powers to the local authorities by June.

III. Security

11. Despite a number of serious security incidents, the overall security situation in Kosovo during the reporting period remained calm though tense. Isolated incidents occurred in the days immediately before and after the declaration of independence. Hand grenade and arson attacks were directed against UNMIK and European Union premises and vehicles in northern Mitrovicë/Mitrovica and Zubin Potok, which caused limited material damage. On 29 February, four United Nations vehicles were damaged when an explosive device, possibly a grenade, detonated between the building of the UNMIK-run Court and a police station in northern Mitrovicë/Mitrovica. The Kosovo Serb protests against Kosovo institutions, such as the UNMIK Court and Detention Centre in northern Mitrovicë/Mitrovica, have been generally peaceful. The most significant exception was the burning down of UNMIK police and Customs facilities at the two crossing points with Serbia on the Administrative Boundary Line in northern Kosovo. UNMIK, with KFOR support, restored order. Traffic was closed at the two crossings for approximately 24 hours, following which they were reopened for light, non-commercial traffic. UNMIK is examining options for the resumption of Customs collection at these two points. On 3 March, Serbian Railways staff attempted to establish operational control over a section of Kosovo's railway network in the municipality of Zveçan/Zvečan, in violation of a 2003 memorandum of understanding. This attempt was stopped by UNMIK on 4 March, but the regular cooperative service between Serbian and UNMIK railways has been suspended.

12. In several Kosovo Serb areas in southern Kosovo, where operational police competencies have been transferred to the Kosovo Ministry of the Interior, Kosovo Serb police officers stated that they would no longer recognize the KPS chain of command and demanded that they be placed under the direct command of international UNMIK police officers. Efforts by the Kosovo Police Service and UNMIK to convince those Kosovo Serb police officers to return to work have so far not been successful, resulting in their suspension. Discussions between UNMIK and the Kosovo Police Service and the officers in question are continuing. The gap resulting from the suspension of the Kosovo Serb officers has been temporarily and

partially filled by international UNMIK police officers. In northern Kosovo, where operational police competencies have not been transferred from UNMIK to the Kosovo Ministry of the Interior and the Kosovo Police Service remains under UNMIK command, the situation remained unchanged.

IV. Standards and European integration

13. Following its incorporation into Kosovo's European partnership programme in 2006, the standards programme continued to be the focus of sustained effort on the part of the Kosovo institutions, with the support of the international community. The technical assessment of standards implementation prepared by my Special Representative (see annex I) provides a detailed account of developments in fields covered by the standards programme during the reporting period. On 13 February 2008, the European Union agreed on a new European Partnership Action Plan for Kosovo.

V. Economy

14. Following the incidents which led to the destruction of Customs facilities at two crossing points in northern Kosovo, gates 1 and 31 were officially closed for commercial quantities of third-country goods and high-revenue-risk goods such as oil. These were redirected to other entry gates into Kosovo. Despite an agreement to this effect, Serbian Customs have nonetheless on several occasions allowed commercial vehicles to pass through the affected gates, leading to fiscal revenue loss for lack of UNMIK Customs collection for this commercial traffic. UNMIK has requested the swift secondment of additional international Customs officials from a number of countries to supplement the small number of international staff currently working in UNMIK Customs.

15. On 29 February, my Special Representative signed the 2008 budget, as previously endorsed by the Economic and Fiscal Council. The approved budget expenditure amounts to €1.1 billion.

VI. Governance

16. During the reporting period, Kosovo has brought forward a process to draft a new Constitution and, since the declaration of independence, this process has intensified. It is expected that a final text will be presented to the Assembly of Kosovo for approval around the beginning of April and that it will contain provisions for entry into force in mid-June.

17. The establishment of municipal institutions in accordance with UNMIK regulations is well under way throughout Kosovo, with the exception of the Kosovo Serb-majority municipalities of Leposaviq/Leposavić, Zveçan/Zvečan, Zubin Potok, Shtërpcë/Štrpce and Novobërdë/Novo Brdo. All municipal assemblies held their inaugural sessions in a timely manner, except those in the northern municipalities of Leposaviq/Leposavić, Zveçan/Zvečan and Zubin Potok, where no inaugural sessions of municipal assemblies have been held thus far, and none of the appointed mayors have taken up their responsibilities with regard to the exercise of executive

functions. In the remaining 27 Kosovo municipalities, almost all newly elected members of local assemblies have taken their oaths, and all mayors have assumed their posts.

VII. Decentralization

18. On the recommendation of the Minister for Local Government Administration, UNMIK extended the mandate of the three Pilot Municipal Units of Junik, Han i Elezit/Đeneral Janković and Mamuşa/Mamuša, until such time as new legislation is issued to settle their eventual status. The Minister is also considering changes in the composition of the Provisional Municipal Assemblies of the three Pilot Municipal Units, in view of the results of the elections held in November 2007.

19. Preparations to restructure local government have also moved forward with the adoption by the Kosovo Assembly of new legislation on local self-government and municipal boundaries, which is expected to come into effect in due course. This legislation includes new Kosovo Serb-majority municipalities and foresees the conversion of the three Pilot Municipal Units into fully fledged municipalities. With the adoption of these new laws and their entry into force, the total number of municipalities in Kosovo would increase from 30 to 38. The newly adopted draft law on municipal boundaries specifies that the decentralization process will be reviewed six months after a census (now planned for 2010) is conducted. The Kosovo Serbs have, however, continued to boycott the decentralization process.

VIII. Cultural and religious heritage

20. After its successful work on 13 sites in 2007, the Reconstruction Implementation Commission expects to conclude its commitments in 2008. However, the first Commission meeting of the year, scheduled for 27 February 2008, was not held, as senior representatives of the Serbian Orthodox Church and the Serbian Institute for the Protection of Monuments did not participate, citing the current political situation. The future of the Commission has been further thrown into doubt by an agreement, signed by Bishop Artemije and the Minister for Religion of Serbia, for direct assistance to the Serbian Orthodox Church in Kosovo by the Government of Serbia, as well as by statements by Bishop Artemije that the memorandum of understanding between the Serbian Orthodox Church and the Provisional Institutions of Self-Government, by which the Commission was established, was no longer valid in the light of Kosovo's declaration of independence.

21. During the reporting period, the Kosovo Police Service increased patrols of religious and cultural sites by over 30 per cent from its previous weekly average of 2,000. In December 2007, KPS authorized 24-hour static presence at the Church of the Holy Virgin (Bogorodica Ljeviška) and the Church of St. Kyriake in Prizren, and the Church of St. Nicholas in Prishtinë/Priština. Hourly patrols and static presence at night were later extended to the Church of St. Andrew in Podujevë/Podujevo. In February, a private security company contracted by the Ministry of Culture, Youth and Sports, with the approval of the Serbian Orthodox Church, began implementing additional security measures at 15 vulnerable Church sites. There were fewer incidents targeting religious sites, both Islamic and Orthodox, with some

14 incidents reported (12 involving theft and two vandalism). Sixteen persons were arrested in 10 cases. On 25 February, the suspected fugitive for the attack against the Visoki Dečani Monastery in March 2007 surrendered to the Kosovo Police Service and voluntarily made a statement to investigators. In February, the Kosovo Assembly adopted the Law on the Establishment of Special Protective Zones, which will come into effect in due course.

IX. Human rights

22. UNMIK continued its dialogue with United Nations treaty-monitoring bodies. A report was delivered to the Committee on Economic, Social and Cultural Rights in October 2007 and will be considered later this year. An additional report to the Human Rights Committee will be submitted by April. A report to the Committee on the Elimination of Discrimination against Women is pending.

23. The overall compliance with the Prime Minister's administrative instructions regarding the establishment of human rights units within ministries reached approximately 70 per cent late in 2007. However, many ministries still lacked appropriate levels of human and other resources in human rights units to ensure their effective operation. Another obstacle was the different interpretation of the mandate of the Prime Minister's Advisory Office on Good Governance, Human Rights, Equal Opportunity and Gender and the Prime Minister's Office for Gender Equality.

24. The Human Rights Advisory Panel has held three working sessions since its inaugural session in November 2007. The Panel elected its Presiding Member, adopted its rules of procedure and continued with its examination of complaints, dealing with issues such as property rights and access to courts. It delivered its first decision in February.

25. In March the Kosovo Assembly issued a new call for nominations for the position of Ombudsperson. This will be the third attempt by the Assembly to appoint an Ombudsperson. An Acting Ombudsperson has been in place for more than two years. It is hoped that the Assembly will move expeditiously to complete the appointment process, while also ensuring that the process adheres to the highest international standards so as to maintain the independence and impartiality of the institution.

X. Returns

26. During the reporting period, there were no unusual population movements out of minority community areas. Slightly more internally displaced persons returned to Kosovo in 2007 than in 2006, but the number of returns remains disappointingly low. The Office of the United Nations High Commissioner for Refugees estimates that 1,756 minority community members (31.8 per cent of them Kosovo Serbs) returned in 2007 as opposed to 1,668 in 2006, the highest number of returns being in the regions of Gjilan/Gnjilane and Mitrovicë/Mitrovica. In addition, 19 Kosovo Roma families returned to Abdullah Presheva/Abdullah Preševo (Gjilan/Gnjilane) on 26 February.

27. Although the allocated funding for the Ministry of Communities and Returns increased to €7.14 million for 2008, as against €5.2 million in 2007, lack of funding remained an important obstacle to returns. There is a current gap of €18 million for 23 approved organized returns projects. The Ministry faced a wide range of irregularities in administration, management and budget and finance-related issues. The arrival of the new Minister for Communities and Returns coincided with the suspension and subsequent dismissal of five directors in the Ministry on charges of corruption and the misuse of funds.

XI. Forward planning

28. UNMIK has continued to engage in ongoing technical discussions with international and local partners on preparations for possible future arrangements. This has been done without prejudging the continuing mandate of UNMIK in accordance with resolution 1244 (1999), and with a view to implementing its mandate in the light of the evolving circumstances.

XII. Observations

29. Since Kosovo's declaration of independence, UNMIK continues to operate on the understanding that resolution 1244 (1999) remains in force, unless the Security Council decides otherwise. I note that Kosovo's leaders have stated that they will act in a manner consistent with the principles of international law and the resolutions of the Security Council, including resolution 1244 (1999). I also note that the authorities in Belgrade have reiterated their commitment to resolution 1244 (1999).

30. It is evident that Kosovo's declaration of independence has had a profound impact on the situation in Kosovo. The declaration of independence and subsequent events in Kosovo have posed significant challenges to the ability of UNMIK to exercise its administrative authority in Kosovo. To address these challenges, UNMIK, guided by the imperative need to ensure peace and security in Kosovo, has acted, and will continue to act, in a realistic and practical manner and in the light of the evolving circumstances.

31. Any violence, whether directed at UNMIK personnel or facilities or against members of any of Kosovo's communities, is unacceptable and cannot be tolerated. I urge all sides to reaffirm and act upon their commitments to refrain from any actions or statements that could endanger peace, lead to violence or jeopardize security in Kosovo and the region.

32. The evolving reality in Kosovo is likely to have significant operational implications for UNMIK. Pending Security Council guidance, there might be a need for UNMIK to adjust its operational deployment to developments and changes on the ground in a manner consistent with the operational framework established under resolution 1244 (1999).

33. The overriding need to ensure peace and security in Kosovo carries with it an obligation to address the reality on the ground as it develops. The efforts of the United Nations in Kosovo are aimed at ensuring that the political and security

situation in Kosovo and in the wider region remains stable, and that the safety and security of the population are preserved.

34. I would like to express my appreciation and gratitude to my Special Representative, Joachim Rücker, and to his staff in UNMIK, for their dedicated efforts and commitment to move Kosovo forward. I would also like to extend my thanks to the United Nations partners — KFOR, the European Union, the Organization for Security and Cooperation in Europe — as well as to the United Nations agencies, funds and programmes and other contributors for their support.

Annex I

Technical assessment of progress in the implementation of the standards for Kosovo

Prepared by the Special Representative of the Secretary-General for Kosovo, 1 March 2008

1. Standards implementation within the framework of the European Partnership for Kosovo continued during the reporting period under the lead of the Agency for European Integration.

2. The declaration of independence by the Kosovo Assembly on 17 February 2008 committed Kosovo to continuing the implementation of reforms required for European integration, and noted Kosovo's obligation to protect and promote the rights of all communities.

Functioning democratic institutions

3. The reporting period was marked by the formation of the Kosovo Government at the central level and of local administrations at the municipal level. The new Assembly of Kosovo was inaugurated on 4 January 2008. On 9 January, the Assembly elected its President and six members of the Presidency of the Assembly. The election of the Kosovo Serb representative and the other non-Albanian representative on the Assembly Presidency was completed on 15 February, after initially being postponed to allow for further consultation between the parties representing minority communities. The Assembly re-elected the President of Kosovo at its session on 9 January, and elected the Prime Minister and Government, including one Kosovo Turk and two Kosovo Serb ministers.

4. The mayoral elections in 26 municipalities were certified on 19 December. In four municipalities (Leposaviq/Leposavić, Shtërpcë/Štrpce, Zubin Potok and Zveçan/Zvečan) where the low level of Kosovo Serb participation in the elections led to non-representative results, the Special Representative of the Secretary-General appointed members of the municipal assemblies and mayors in order to ensure an equitable representation of communities in the municipal structures. In Novobërdë/Novo Brdo, where the population is nearly equally split between Kosovo Serbs and Kosovo Albanians, the mayoral election was certified, while the members of the municipal assembly were appointed to ensure equitable representation.

5. The 2007 report on fair-share finance shows that 24 of the 27 concerned municipalities have submitted their reports. Zubin Potok, Zveçan/Zvečan and Leposaviq/Leposavić did not report on fair-share finance expenditures. Eighteen of the 24 reporting municipalities fulfilled or exceeded their quotas. For the fourth quarter, the overall effective fair-share finance allocation was 13.9 per cent, above the overall 12.5 per cent quota.

6. The Official Gazette of the Provisional Institutions of Self-Government has published 78 of the 142 Assembly laws promulgated by the Special Representative of the Secretary-General. The website of the Gazette is up to date and the indexes for 2006 and 2007 are available.

7. Internal audit units are functioning and audits are being conducted in all ministries and most municipalities. The Office of the Auditor General continues the

audit of financial statements for 2006 for all budgetary organizations. The audit report findings relate mainly to inconsistencies with the legal requirements and financial management, including substantial weaknesses in the internal control system.

8. The Independent Oversight Board continued its work uninterrupted by the elections and other political developments. In this context, the Board monitored 37 events to select civil servants in the ministries and municipalities. The Board dealt with 71 complaints which it received during the reporting period. On 27 February, the regulation amending Regulation 2001/36 and transforming the Independent Oversight Board into an autonomous body reporting directly to the Assembly of Kosovo was signed by the Special Representative of the Secretary-General.

9. Concerns exist about the future participation of Kosovo Serbs in the civil service following the declaration of independence. Many Kosovo Serbs started to report back to work, after an initial hiatus following the declaration, but the situation is fluid and varies from area to area across Kosovo.

10. On 3 March 2008, the Anti-Corruption Agency submitted its first annual report to the President of the Assembly of Kosovo. The implementation of the anti-corruption action plan still remains behind schedule, however, in the areas of administrative, police and judicial reform. At the end of January, some staff members of the Agency reportedly received death threats in relation to ongoing investigations and filed complaints with the police.

11. Since the middle of December, the Acting Ombudsperson has received 101 complaints, 85 of them made by Kosovo Albanians and 10 by Kosovo Serbs. During the same period, it closed 99 cases, having received 84 responses from various institutions to its queries. On 21 February, the Presidency of the Kosovo Assembly decided to advertise the position of the Ombudsperson for the third time.

12. The new Kosovo Government includes two female Ministers (Ministry of Energy and Mines and Ministry of Justice) and two female deputy Ministers (Ministry of Culture, Youth and Sports and Ministry of Health), compared with one female Minister and one female Deputy Minister in the previous Government. This increase, however, is not by itself sufficient to meet the goals of gender equality at decision-making levels.

13. Of 114 licensed broadcasters in Kosovo, 44 broadcast in minority languages. Two stations broadcast equally in Albanian and Serbian. Thirty-five broadcasters carry further programming in languages additional to their primary language, including 19 which also broadcast in the Roma language.

14. The second round of grants awarded to minority, multi-ethnic and disadvantaged media is still pending. The first grants were awarded in 2006. No grants were distributed in 2007. Radio Television of Kosovo (RTK) has so far transferred €140,000 to the Minority Media Fund for 2007. RTK is legally obliged to transfer 5 per cent of the public broadcast fee it collects to the Media Minority Fund, although the equivalent of seven months of contributions remains to be transferred.

Challenges ahead

15. The Assembly of Kosovo should expedite the selection of a new Ombudsperson, avoiding previous shortcomings in the selection process. The Assembly should also review the issues raised in the last annual report of the Ombudsperson and case reports and take on a more active role in this respect.

16. The Official Gazette of the Provisional Institutions of Self-Government maintains the level of publication of one volume per month, a pace which is not sufficient to reduce the backlog, but only just enough to avoid an increase. Additional financial resources are needed to redress the backlog of unpublished legislation. Amendments promulgated by UNMIK should be fully incorporated in legal texts in their original version.

17. The Senior Public Appointments Commission needs to resist politicization of the senior levels of the civil service and continue providing checks on the process.

18. The new Government and the new municipal administrations need to strengthen the organization and operation of the gender equality structures at both the central and municipal levels. Significant work is needed to raise the level of public awareness of women's rights throughout Kosovo.

Rule of law

19. Crime clearance rates remained comparable for all communities: crimes against property are at 45 per cent and crimes against persons at 71 per cent. More serious crimes have higher clearance rates than less serious crimes because of the resources allocated to their investigation.

20. Five District Legal Aid Bureaux were opened in January, following the inauguration of the Legal Aid Commission of Kosovo in September 2007. A total of 19 staff were recruited to the Legal Aid Commission, including three minority staff members. UNMIK has made available premises in northern Mitrovicë/Mitrovica to facilitate access to the bureaux by members of all communities.

21. On 25 January 2008, five Kosovo Albanians were convicted of criminal conduct during the March 2004 riots in Fushë Kosovë/Kosovo Polje. This raised to 35 the number of defendants convicted in relation to the riots of March 2004 in cases prosecuted by international prosecutors. Local prosecutors have brought criminal charges against more than 300 people for offences related to those riots, resulting in the convictions of 145 people in Municipal and District Courts. Twenty-one cases remain unsolved. In the Minor Offences Courts, 157 persons have been charged, resulting in convictions for 116 persons. There are no more unsolved March riots cases in the Minor Offences Courts.

22. Three new Special Prosecutors were recruited for the Kosovo Special Prosecutors Office, which will raise the number to eight once they are appointed by the Special Representative of the Secretary-General. On 4 February, the Special Prosecutors Office secured a conviction against one defendant in a weapons-related offence. One Municipal Court judge pleaded guilty to accepting bribes while holding public office, and 15 suspects were arrested and detained on remand in a human trafficking case. Special Prosecutors filed indictments against six defendants charged with human trafficking, facilitation of prostitution and money-laundering

and against another six defendants charged with fraud, tax evasion and money-laundering.

23. On 25 February 2008, the fugitive suspect in the attack of March 2007 on the Decani Monastery, accompanied by his attorney, voluntarily surrendered to the Special Prosecutors Office and the Kosovo Police Service and made a statement. The suspect was detained after a hearing on 27 February, and an indictment is being prepared by the Special Prosecutors Office.

24. The capacity-building of local staff working at the Financial Intelligence Centre continues to make significant progress. The number of intelligence reports of suspected money-laundering violations continues to rise, and the quality of the reports drafted by local intelligence analysts is improving steadily.

25. Minority representation of judges and prosecutors is 12 per cent (5 per cent Kosovo Serb) and 7 per cent (3 per cent Kosovo Serb), respectively. Female representation is 26 per cent for judges and 21 per cent for prosecutors. Minority representation of court staff is 11.2 per cent (7.6 per cent Kosovo Serb) and female representation is 42.8 per cent.

26. Minority representation within the Kosovo Police Service remained roughly constant, at 14.2 per cent (with Kosovo Serb representation at 9.3 per cent). However, the multi-ethnic character of the Police Service has been challenged since the declaration of independence, because Kosovo Serb police officers in many southern Kosovo municipalities were suspended following their statement that they would no longer recognize the KPS chain of command and their demand to be placed under the direct command of UNMIK police. Minority representation in the Kosovo Corrections Service remained at 14.2 per cent (10.3 per cent Kosovo Serb). Female representation held steady at 14.9 per cent in the Police Service and remained at 17 per cent in the Corrections Service.

27. On 19 February, groups of violent protestors set fire to the UNMIK police and Customs facilities at gates 1 and 31 in northern Kosovo, forcing police and customs officers to be evacuated. UNMIK, with KFOR assistance, promptly restored police checks at the crossing points and is currently examining options for the resumption of Customs collection. On 25 February, 19 KPS officers were injured when they were attacked by protestors who entered the buffer zone from Serbia and hurled stones at police. In both cases KFOR intervention was required to restore order.

28. A new police substation was established in the Serb-majority village of Lepi/Lepina, raising the number of existing substations in Kosovo to 22. The functional level of the substations is uneven, some being fully equipped and staffed while others suffer from a lack of equipment and support. The suspension of the Kosovo Serb KPS officers has also affected the functioning of substations in Kosovo Serb areas.

29. Despite progress in the relationship between the Ministry of Internal Affairs and the Kosovo Police Service, sustained efforts are needed to get the Police Service to accept the Ministry's oversight. To promote the needed cooperation, the Minister has prioritized the strengthening of the Police Policy Unit to include KPS officers from the KPS Policy Unit to limit duplication and more effectively assess risks to public safety and develop mitigation responses.

Challenges ahead

30. Further work is needed to effectively protect witnesses from intimidation. The UNMIK Task Force on Witness Protection appointed in 2007 is expected to finalize its report and recommendations in the coming weeks, which will include the text of a draft law on witness protection.

31. The judicial system's inadequate resources continue to pose a significant challenge to professional human resource management in the courts and judiciary.

32. The Law on Courts should be finalized.

33. The Government should facilitate further transfer of responsibility for missing persons and forensics, especially the establishment of a unified institute for missing persons and forensics under the Ministry of Justice.

Freedom of movement

34. The freedom of movement surveys conducted by the Kosovo Police Service continue to show that over 95 per cent of minorities travel outside their area of residence.

35. On 16 December and 24 February, two separate groups of 49 Orthodox pilgrims and 50 Kosovo Serbs from Serbia proper, escorted by the Kosovo Police Service, visited the Serbian Orthodox Monastery of Holy Archangels and the Churches of St. George and the Holy Virgin Ljeviška in Prizren. On 17 December, approximately 60 Kosovo Serb returnees from Klinë/Klina participated, without escort, in an annual religious holiday at Dević Monastery in Skenderaj/Srbica. On 19 December, 30 Kosovo Serbs from Graçanicë/Gračanica visited the Church of St. Nicholas in Prishtinë/Priština. On 20 December, on the occasion of a Muslim holiday, 200 displaced Kosovo Albanians visited graveyards in northern Mitrovicë/Mitrovica.

36. There has been significant progress in the freedom of movement of Kosovo Serbs in Vushtrri/Vučitrn and Klinë/Klina. They are moving without escort and enjoy good business cooperation with their Kosovo Albanian neighbours. In Vushtrri/Vučitrn two Kosovo Serbs joined a local professional basketball team.

37. Political leaders continue to condemn incidents of violence against minorities and religious sites. The Prime Minister met with the mayors of most municipalities in February and called on them to approach their constituents and the Kosovo Serb community and reassure them of a continued safe and secure environment.

38. Little progress has been achieved in developing the humanitarian transport service which was handed over to the Ministry of Transport and Communications on 1 January 2007. The Ministry has issued an administrative instruction on the requests for new lines on 24 December 2007 but it was formally made available to municipalities only on 5 March 2008. The Ministry failed to convene the Transport Advisory Committee during the reporting period.

39. A bus travelling from Dragash/Dragaš to Belgrade was stopped by masked, armed men on 6 December and 7 February. The police made several arrests in connection with an extortion ring against the bus company.

Challenges ahead

40. Substantial efforts are needed from the Ministry of Transport and Communications to develop the humanitarian transport service. While a procedure for requesting new lines is being established the Ministry has not increased its budget allocation to meet those requests.

Sustainable returns and the rights of communities and their members

41. The number of minority returns to Kosovo, while remaining low, showed minor improvement. More internally displaced persons returned to Kosovo in 2007 (1,759) than in 2006 (,668).

42. Nineteen Roma families returned to Gjilan/Gnjilane town on 26 February, marking the completion of another phase of the Abdullah Presheva/Abdullah Preševo urban returns programme with the support of the United Nations Development Programme.

43. The Ministry of Communities and Returns budget for returns is €7.14 million for 2008. The Ministry has proposed allocating this amount for community development and stabilization projects, construction of social housing for the internally displaced persons in Llapllaselë/Laplje Selo (Prishtinë/Priština), organized return projects, individual returns, and a new return programme known as SPARK (Sustainable Partnerships for Assistance to Returns in Kosovo).

44. No incidents of violence occurred during celebrations following the declaration of independence by the Assembly of Kosovo, and there were no indications of significant population movements either to or from Kosovo. However, a few minority community members from villages in Klinë/Klina, Fushë Kosovë/Kosovo Polje and Ferizaj/Uroševac reportedly left Kosovo as a precautionary measure on the eve of the declaration of independence. The few who left Kosovo have now returned. For instance, in the Ferizaj/Uroševac municipality, the Kosovo Serb returnees who left Babuš/Babush, Talinoc/Talinovac and Bablak/Babljak villages because of fear of violence and intimidation after the declaration of independence came back home within days. Many Kosovo Serb returnee leaders have also confirmed their decision to stay in Kosovo regardless of political developments.

45. As part of its financial and managerial streamlining efforts, the Ministry of Communities and Returns closed three field offices in Kamenicë/Kamenica, Shtërpcë/Štrpce and Rahovec/Orahovac.

46. In the Ministry of Communities and Returns, five directors were suspended and later dismissed on charges of corruption and misuse of funds. The new Minister assumed duties on 11 January and pledged to address the administrative, managerial and financial shortcomings of the Ministry. However, appointments of new acting directors were made in violation of the applicable rules and procedures.

47. The readmission policy and procedures, which aim at promoting a sound and operational framework for readmission management in Kosovo, became operational on 1 January 2008. The policy, together with its standard operating procedures, was

established in the context of the handover of readmission functions from UNMIK to the Ministry of Internal Affairs.

48. The oversight responsibility for the management of Camp Osterode, a Roma Ashkali Egyptian camp for internally displaced persons in northern Mitrovicë/Mitrovica, was transferred from UNMIK to the Ministry of Communities and Returns in February.

Challenges ahead

49. The Government needs further engagement in the Roma Mahala returns project in Mitrovicë/Mitrovica town. The Ministry of Communities and Returns needs to urgently allocate additional funding for the project and the municipality needs to ensure the prompt implementation of the urban regulatory plan approved by the municipal assembly.

50. With the support of UNHCR, the Ministry of Communities and Returns has achieved progress towards the finalization of the returnee database, but progress is still needed in establishing the database of internally displaced persons.

51. The Ministry of Communities and Returns needs to take leadership in the functioning of the communities' outreach and communications group, which holds the mandate to implement the returns outreach and communication strategy.

52. The operational plan and budgetary allocation for the reintegration strategy needs to be finalized as a matter of priority, while an adequate number of personnel in the Ministry of Internal Affairs is required for the implementation of the readmission policy.

Economy

53. On 15 February, the Assembly of Kosovo approved the budget for 2008, as previously endorsed by the Economic and Fiscal Council. The approved budget amounts to €1.1 billion, a substantial increase over the €718 million budget for 2007. It was promulgated by the Special Representative of the Secretary-General on 29 February.

54. As at 1 January, the Kosovo Trust Agency has launched 30 waves of privatization, and 549 new companies have been derived from the assets of 312 socially owned enterprises tendered for sale. A total of 345 sales contracts have been signed and an additional 146 are pending signature.

55. As at 1 January, total privatization proceeds amounted to more than €362 million; €72 million of this amount is due to the eligible former workers of privatized enterprises, of which more than €15 million has already been disbursed to the Independent Union of Trade Unions, which distributes the proceeds to the eligible former workers.

56. The Board of Directors of the Kosovo Trust Agency has approved a total of 107 liquidations with total proceeds amounting to €3,797,992.

57. On 1 November, the Board of Directors approved the incorporation plan for seven waste enterprises and three irrigation enterprises. These were incorporated on

31 December 2007, and started operating as joint stock companies as from 1 January 2008.

58. The Kosovo Energy Corporation revenue collection for the year 2007 stood at 53.5 per cent of energy available for sale, a considerable increase compared to the collection rate of 39.3 per cent of energy available for sale in 2006. The strong gains made in the first three quarters of 2007 were however considerably offset in the final quarter, which saw the percentage of collections against energy available for sale drop to 33 per cent. This decline was unusually steep even considering that a seasonal drop in collection during the autumn and winter months is common. Factors such as the unusually erratic power supply during and after the rehabilitation of the B units, and the cancellation of the memorandum of understanding connecting vehicle registration to electricity payment may all have contributed.

Challenges ahead

59. The Kosovo Government needs to fully implement its commitments to the International Monetary Fund, including the need for stricter control, or revision of, eligibility criteria for basic pensions and other social benefits; refraining from the introduction of new social benefit schemes; the alignment of proposed legislation with available resources; and the commencement of detailed planning to implement the proposed reduction in public employment.

60. Budget organizations need to take immediate steps to implement the Auditor General's recommendations regarding procurement and financial management practices.

61. The tax administration of Kosovo needs to further develop its systems to improve domestic revenue collection.

Property rights

62. Twenty-two decisions of the Housing and Property Claims Commission are pending implementation, out of a total of 29,160 adjudicated cases. All of the cases pertain to properties located in the northern part of Mitrovicë/Mitrovica.

63. The Kosovo Property Agency has so far received 32,961 claims covering agricultural, commercial and residential properties. Over 90 per cent of claims pertain to agricultural property. The claim intake closed on 3 December 2007. The Kosovo Property Claims Commission has already issued decisions on 5,749 claims (6.8 per cent).

64. Implementation of the rental scheme for properties under Kosovo Property Agency administration continues; 2,724 holders of property rights covering 4,441 properties are included in the scheme. Under the scheme 479 evictions have been implemented and 758 occupants are currently paying rent, achieving a total rental income of €523,045.

65. The Kosovo Cadastral Agency has completed a pilot project on the registration of apartments in seven municipalities. It will be used as a model for the future registration of apartments throughout Kosovo.

66. The draft law on the treatment of illegal construction has been adopted by the Assembly and is pending promulgation. The draft law on the sale of apartments where tenure rights exist has also been adopted. The draft law on the organization of cadastral institutions has been included in the Government's legislative strategy for 2008.

Challenges ahead

67. The draft law on the sale of apartments where tenure rights exist still needs to ensure respect for decisions of the Housing and Property Claims Commission concerning occupancy rights and prevent unlawful deprivations of possession due to missing records.

68. The panel of the Supreme Court mandated to address appeals against decisions made by the Property Claims Commission needs to be established.

69. The courts need to improve coordination and communication with the Kosovo Property Agency to avoid parallel proceedings and contradictory decisions on the same property.

70. Municipal authorities in Mitrovicë/Mitrovica are temporarily using public lands in two former residential areas within the Roma Mahala. The municipality should ensure that temporary use does not interfere with the regularization and return process.

71. Municipal authorities in Istog/Istok need to ensure that legislation on cultural heritage special protective zones is not interpreted as precluding the inhabitants of the informal settlement of Rudesh/Rudeš from returning.

Cultural heritage

72. After successful interventions on 13 sites in 2007, the Reconstruction Implementation Commission is working to conclude its commitments in 2008. However, the first scheduled meeting in 2008 could not be held on 27 February as both the Serbian members, citing recent political developments, did not to attend.

73. The Kosovo Police Service increased its patrols to religious and cultural sites during the past three months by over 30 per cent from its weekly average of 2,000. In response to a request from the Serbian Orthodox Church and the international community, the Kosovo Police Service in December 2007 authorized 24-hour static police presence at the Churches of the Holy Virgin Ljeviška and St. Kyriake in Prizren and the Church of St. Nicholas in Prishtinë/Priština. Hourly patrolling and a static presence during the night were later extended to the Church of St. Andrew in Podujevë/Podujevo

74. The private security company contracted by the Ministry of Culture, Youth and Sports to implement additional security measures for 15 Orthodox sites under the €50,000 grant from the Government began its work following written approval of its plan by the Serbian Orthodox Church in February. There were fewer incidents targeting religious and cultural heritage sites, both Islamic and Orthodox. Police report that most incidents were motivated by profit (theft of electrical cable, fencing and roofing material) and not ethnicity. Sixteen people were arrested in 10 cases.

75. Police report that two Kosovo Albanian suspects were arrested for damaging several gravestones in a Kosovo Serb cemetery. Three Kosovo Roma suspects were arrested for stealing a metal fence from a Kosovo Serb cemetery. In another case, two Kosovo Albanian suspects were arrested for the theft of a 300-year-old candelabra from a mosque.

76. In February 2008, the Assembly adopted a Law on the Establishment of Special Protective Zones.

77. Work on establishing a central database for the inventory of cultural heritage is progressing on schedule. Training of personnel to work on the specific software has been completed and a two-week training on heritage management for 50 participants is planned in April 2008.

Challenges ahead

78. The Government needs to continue to work on ways to ensure necessary protection of cultural heritage sites and to conduct public awareness campaigns on a continuous basis.

79. Continuing Serb participation in the Reconstruction Implementation Commission is uncertain following the declaration of independence. The Commission will need the continued support of all stakeholders, particularly the Serbian Orthodox Church, in order to conclude its undertaking by the end of 2008 as planned.

80. The Kosovo Council for Cultural Heritage needs to be established as a priority by the new Government, following recommendations made by the previous Ministry of Culture, Youth and Sports.

81. The mechanisms of cultural coordinators and technical dialogue between Belgrade and Prishtinë/Priština should be reactivated to develop closer cooperation.

Kosovo Protection Corps

82. Minority representation in the Kosovo Protection Corps (KPC) has again remained steady throughout the reporting period. Of 2,893 active members, 6.5 per cent are from minority communities, 1.4 per cent of them Kosovo Serbs.

83. Women continue to be represented at all levels of the Kosovo Protection Corps, although total numbers are relatively small at 3 per cent.

84. During the reporting period, the Disciplinary Board dealt with 18 cases, of which 13 resulted in dismissal: eight for unauthorized absence and five for criminal offences (theft). The remaining five cases were dismissed.

85. The Kosovo Protection Corps remains focused on developing and maintaining its operational capability. Significantly, over the reporting period and in anticipation of a declaration of independence, the Corps formed a number of liaison teams to work alongside NATO to provide reassurance to all communities and, in the event of any deterioration in the security situation, provide a calming influence.

Challenges ahead

86. The Office of the KPC Coordinator and KFOR continue to work together on initiatives to maintain and enhance engagement with the Kosovo Protection Corps through activities aimed at sustaining its operations and preserving its public standing. This will become even more important as the Kosovo Protection Corps begins to look to the future where it becomes increasingly necessary to manage expectations regarding the speed and realities of its development.

Annex II

Police component of the United Nations Interim Administration Mission in Kosovo

Composition and strength of the police component of the United Nations Interim Administration Mission in Kosovo

(as at 1 March 2008)

Country	*Number*
Argentina	10
Austria	22
Bangladesh	23
Brazil	2
Bulgaria	46
China	20
Croatia	14
Czech Republic	25
Denmark	27
Finland	8
France	51
Germany	139
Ghana	46
Greece	7
Hungary	15
India	87
Italy	42
Jordan	68
Kenya	15
Kyrgyzstan	9
Lithuania	6
Malawi	4
Nepal	14
Nigeria	6
Norway	15
Pakistan	187
Philippines	40
Poland	125
Portugal	4
Romania	181
Russian Federation	42

Country	*Number*
Slovenia	**15**
Spain	**15**
Sweden	**36**
Switzerland	**9**
Turkey	**135**
Uganda	**4**
Ukraine	**189**
United Kingdom of Great Britain and Northern Ireland	**60**
United States of America	**209**
Zambia	**10**
Zimbabwe	**24**
Total	**2 006**

Composition of the Kosovo Police Service

(as at 1 March 2008)

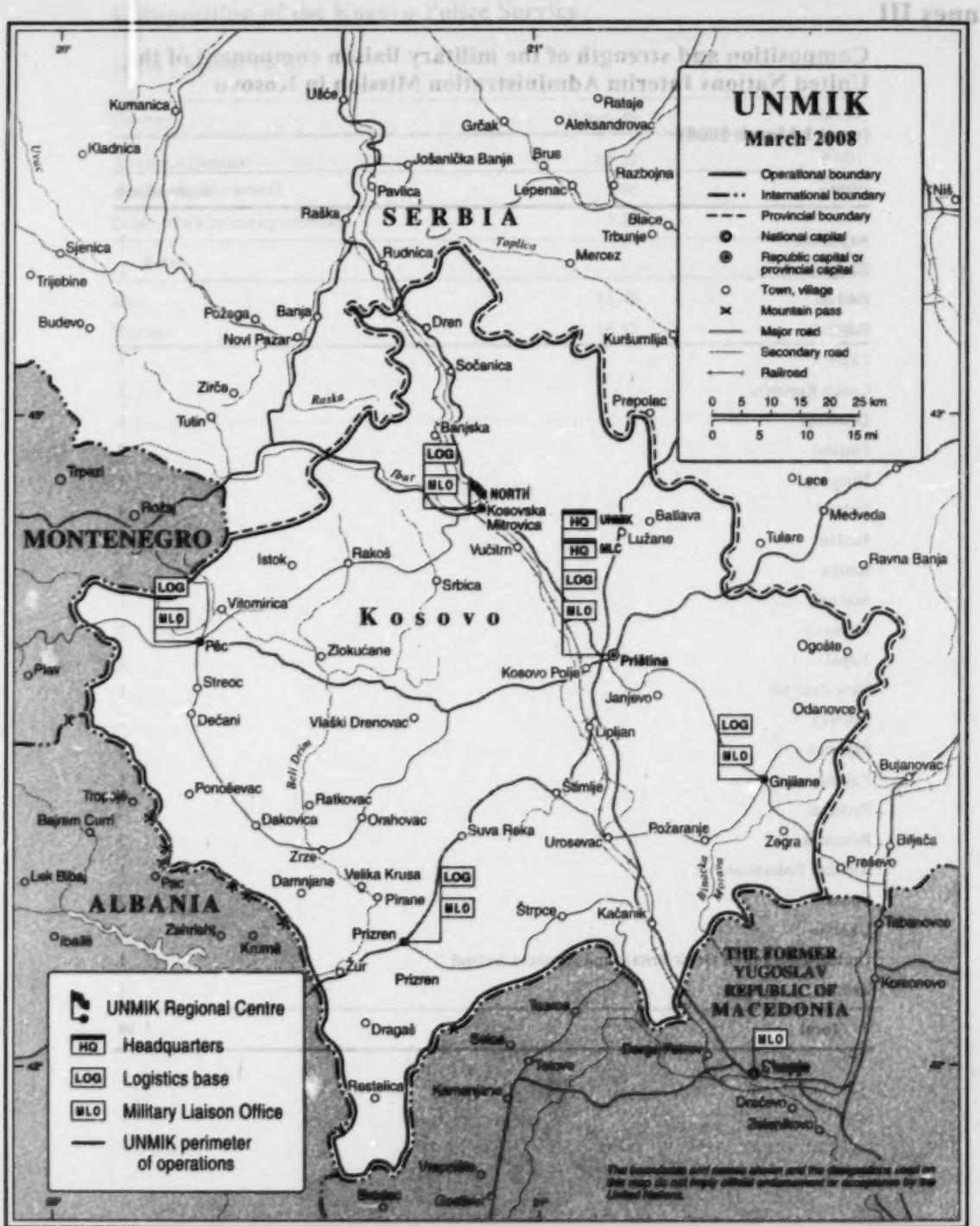
Category	*Percentage*	*Number*
Kosovo Albanians	84.45	6 001
Kosovo Serbs	9.96	708
Other ethnic minority members	5.59	397
Total		**7 106**
Men	86.48	6 145
Women	13.52	961

Annex III

Composition and strength of the military liaison component of the United Nations Interim Administration Mission in Kosovo

(as at 1 March 2008)

Country	*Number of liaison officers*
Argentina	1
Bangladesh	1
Bolivia	2
Bulgaria	1
Chile	1
Czech Republic	1
Denmark	1
Finland	2
Hungary	1
Ireland	4
Jordan	2
Kenya	2
Malawi	1
Malaysia	1
Nepal	1
New Zealand	1
Norway	1
Pakistan	2
Poland	1
Portugal	2
Romania	3
Russian Federation	1
Spain	2
Ukraine	2
United Kingdom of Great Britain and Northern Ireland	1
Zambia	1
Total	**39**



Map No. 4136 Rev. 31 UNITED NATIONS
March 2008

Department of Field Support
Cartographic Section